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INTER-OFFICE CORRESPONDENCE

Richmond, Virginia

To: Dr. A. C. Lilly Date: February 15, 1990

From: R. P. Heretick

Subject: DOMESTIC PRODUCT SUPPORT

**Objective**: Develop new cigarette products and/or modify existing products to meet current market opportunities, to open new market segments and to maintain quality products in the market place. The overall objective is to increase our market share.

**Strategies**:

I. **Free Standing Brands**

Develop conventional and unique free-standing products to compete in current environments or create new segments.

- Project Natural I

  Develop cigarette products with acceptable subjective response without the enhancement of casing and flavors.

  **Complete 1st Quarter**

- Project Natural II

  Develop cigarette products with acceptable subjective response which incorporate 10 or less casing and flavor ingredients.

  **Complete 3rd Quarter**

- Project Natural III

  Develop cigarette products with acceptable subjective response which incorporate only natural casing and flavor ingredients.

  **Complete 3rd Quarter**

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## II. Brand Extensions

Continue to develop line extensions that will offer consumers a greater choice and enhance brand share.

- Parliament Menthol

  Develop menthol products which will extend the Parliament franchise into the menthol category.

  **Complete 2nd Quarter**

- Bristol, Cambridge and Alpine

  Prepare prototypes and specifications for these products which will extend each franchise into the full range of conventional packings and configurations.

  **Complete 2nd Quarter**

## III. Brand Repositioning

Redevelop or modify selected brands for repositioning to enhance consumer benefits and maximize share potential.

- Cambridge Blend Developments

  Evaluate new tobacco blends and non-tobacco materials which will yield new product specifications for a more cost effective product in this value category.

  **2nd Quarter**

- Marlboro Program

  Develop an 83mm Box format for the Marlboro Brand family.

  **2nd Quarter**

- Marlboro Medium

  Develop on 83mm Box format with a tar delivery higher than Marlboro Lights but less than Marlboro Full Flavor.

  **2nd Quarter**

**Resource Allocations**

The current and projected resource allocation is shown below.

| | |
|---|---|
| Project Leader | 1.5 |
| Product Development Engineer | 3.0 |

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Other Resources Required -

Semiworks
CTSD
PED
Cigarette Technology
Flavor Development
Leaf Blending
Manufacturing/Operations Support
Engineering

**Technology Transfer**

Products which are developed in the programs listed here as well as new programs defined during the year incorporate new technology developed in R&D major programs (such as Filtration Research, Low Tar High Flavor, and Paper Technology). These technologies are evaluated and utilized where the subjective performance of the product is enhanced.

R. P. Heretick

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